

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY
STATE OF MICHIGAN

FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
FISCAL YEARS ENDED MARCH 31, 2006 and 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Millington	County Tuscola
Fiscal Year End 03/31/06	Opinion Date 07/12/06	Date Audit Report Submitted to State 07/14/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

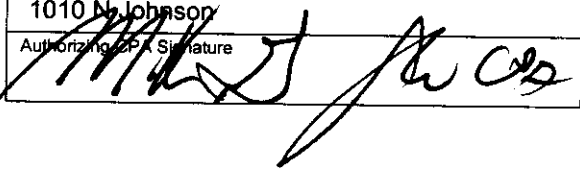
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	No Comments	
Other (Describe)	<input type="checkbox"/>	None Required	
Certified Public Accountant (Firm Name) Quast, Janke & Co. CPA's, PC		Telephone Number 989-892-4549	
Street Address 1010 N. Johnson		City Bay City	State MI
City Bay City		Zip 48708	
Authorizing CPA Signature 		Printed Name Mark G Janke	License Number A248794

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Quast, Janke and Company, P.C.

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REPORT LETTER

July 12, 2006

To The Township Board
The Township of Millington
Tuscola County
Millington, Michigan 48746

We have audited the accompanying financial statements of the Government Activities, each major fund, and the aggregate remaining fund information of the Township of Millington as of and for the years ended March 31, 2006 and 2005, which collectively comprise the Township's financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Millington's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Government Activities, each major fund, and aggregate remaining fund information of the Township of Millington as of March 31, 2006 and 2005, and the respective changes in financial position for the year then ended in conformity with United States generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 23 through 26 are not a required part of the basic financial statements but are supplemental information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Millington's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

QUAST, JANKE AND COMPANY


Certified Public Accountants, P.C.

TOWNSHIP OF MILLINGTON

Management's Discussion and Analysis

This section of Township of Millington's Annual Financial Report presents our discussion and analysis of the Township's financial performance during the years ended March 31, 2006 and 2005. Please read it in conjunction with the Township's financial statements, which immediately follows this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Millington financially as a whole. The Government-Wide Financial Statements provide information about the activities of the Township of Millington, presenting both an aggregate view of the Township's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds – the General Fund, Fire Protection Fund, Police Fund, Refuse Collection Fund and Building Fund with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the Township acts solely as an agent.

Management's Discussion and Analysis (MD &A)
(Required Supplemental Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)

Budgetary Information for the General Fund and Major Special Revenue Funds

Other Supplemental Information

Reporting the Township as a Whole – Government-Wide Financial Statements

One of the most important questions asked about the Township is, "As a whole, what is the Township's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the Township's financial statements, report information on the Township as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net assets – the difference between assets and liabilities, as reported in the statement of net assets – as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net assets – as reported in the statement of activities – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do.

The statements of net assets and statement of activities report the governmental activities for the Township, which encompass all of the Township's services, including legislative, general government, public safety, public works and culture and recreation. Property taxes, special assessments, and unrestricted State shared revenue finance most of these activities.

Reporting the Township's Most Significant Funds – Fund Financial Statements

The Township's fund financial statements provide detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law. However, the Township establishes many other funds to help it control and manage money for particular purposes or to show that it's meeting legal responsibilities for using certain taxes, grants, and other money. The governmental funds of the Township use the following accounting approach:

Governmental funds – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation.

The Township as a Whole

Recall that the statement of net assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of March 31, 2006 and 2005:

TABLE 1:

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Assets		
Current and other assets	\$ 1,318,714.05	\$ 1,342,914.75
Capital assets – Net of accumulated depreciation	<u>512,449.16</u>	<u>459,685.12</u>
Total assets	1,831,163.21	1,802,599.87
Liabilities		
Current liabilities	<u>678.20</u>	<u>9,988.48</u>
Net Assets		
Invested in property and equipment	512,449.16	459,685.12
Unrestricted	<u>1,318,035.85</u>	<u>1,332,926.27</u>
Total net assets	<u>\$ 1,830,485.01</u>	<u>\$ 1,792,611.39</u>

TOWNSHIP OF MILLINGTON

Management's Discussion and Analysis

The above analysis focuses on the net assets (see Table 1). The change in net assets (see Table 2) of the Township's governmental activities is discussed below. The Township's net assets were \$1,830,485.01 at March 31, 2006. Capital assets reflects the original cost, less depreciation of the Township's capital assets. The remaining amount of net assets (\$1,318,035.85) was unrestricted.

The \$1,318,035.85 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the statement of activities (see Table 2), which shows the changes in net assets for fiscal year 2006 and 2005.

TABLE 2:

	Governmental Activities	
	2006	2005
Revenue		
Program revenue:		
Charges for services	\$ 15,999.02	\$ 18,359.94
Grants, contributions and other	70,435.17	93,472.27
General revenue:		
Property taxes	140,336.08	131,650.16
Special voted taxes and special assessments	386,499.93	369,849.71
State shared revenue	235,262.00	224,311.00
Other	<u>34,382.50</u>	<u>15,959.77</u>
Total revenue	882,914.70	853,602.85
Function/Program Expenses		
Legislative	49,904.79	45,031.45
General Government	96,201.09	101,328.39
Public Safety	266,899.05	249,617.04
Public Works	286,625.68	190,532.90
Cultural and Recreation	34,175.20	82,824.84
Other	31,930.23	31,115.32
Depreciation (unallocated)	<u>4,979.21</u>	<u>6,605.44</u>
Total expenses	<u>770,715.25</u>	<u>707,055.38</u>
Increase in Net Assets	<u>\$ 112,199.45</u>	<u>\$ 146,547.47</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$770,715.25. Certain activities were partially funded from those who benefitted from the program or by other governments and organizations that subsidized certain programs with grants and contributions. We paid for the remaining "public benefit" portion of our governmental activities with \$140,336.08 in taxes, \$386,499.93 in special voted taxes and assessments to pay for fire protection, police protection and refuse collection, \$235,262.00 in State shared revenue, and with our other revenues, such as interest and other.

The Township experienced an increase in net assets of \$112,199.45. Key reasons for the change in net assets were an increase in expenditures on roads. The increase in net assets differs from the change in fund balance and reconciliation appears on page 14.

As discussed above, the net cost shows the financial burden that was placed on the State and the Township's taxpayers by each of these functions. Since property taxes for operations and State shared revenues constitute the majority of Township operating revenue sources, the Board of Trustees must annually evaluate the needs of the Township and balance those needs with State-prescribed available unrestricted resources.

TOWNSHIP OF MILLINGTON

Management's Discussion and Analysis

The Township's Funds

As we noted earlier, the Township uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$1,318,035.85, which is a decrease of \$14,890.42 from last year. The primary reason for this decrease is the purchase of a building for the Fire Department and increased expenditures for roads. The General Fund, our principal operating fund, the balance decreased \$21,257.90. Overall, actual General Fund revenues were within 106 percent of budgeted amounts, and expenditures were within 79% of budgeted amounts.

The Fire Protection Fund fund balance decreased \$106,092.79.

The Police Fund fund balance increased \$28,826.46.

The Refuse Collection Fund increased its fund balance \$8,817.05.

The Building Fund fund balance increased \$46,273.65 due to a transfer from the General Fund.

Budgetary Highlights

Over the course of the year, the Township revises its budget as it attempts to deal with changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. Changes to the original budgets were as follows:

All Budgeted Funds -

- There were only minor minimal increases in budgeted expenditures, if any.
- There were no significant variances between the final budget and actual costs.

Capital Asset and Debt Administration

Capital Assets

At March 31, 2006, the Township had \$1,089,505.20 invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. This amount represents a net decrease (including additions and disposals) of \$32,712.83.

	<u>2006</u>	<u>2005</u>
Land and improvements	\$ 149,772.26	\$ 54,905.63
Buildings and improvements	331,473.11	492,363.88
Vehicles	367,270.91	367,270.91
Equipment	<u>240,988.92</u>	<u>207,677.61</u>
Total capital assets	1,089,505.20	1,122,218.03
Less accumulated depreciation	<u>577,056.04</u>	<u>662,532.91</u>
Net capital assets	<u>\$ 512,449.16</u>	<u>\$ 459,685.12</u>

This year's additions of \$173,799.31 consisted of a building to be used as an office by the Fire Department and miscellaneous equipment. No debt was issued for these additions.

Township of Millington

Management's Discussion and Analysis

Debt

The Township has no debt.

Economic Factors and Next Year's Budgets and Rates

Our elected officials consider many factors when setting the Township's 2007 fiscal year budget. One of the most important factors affecting the budget is the State of Michigan's economy. This resulted in no increase in State shared revenues in the year ended March 31, 2006 and increases for 2007 are unlikely.

Contacting the Township's Financial Management

This financial report is designed to provide the Township's citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Millington, 8553 State Street, Millington, MI 48746.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF NET ASSETS
March 31, 2006 and 2005

	March 31, 2006		March 31, 2005	
	Primary Government	Component Unit	Primary Government	Component Unit
ASSETS:				
Cash	\$ 1,239,080.11	\$ 13,478.65	\$ 1,253,077.98	\$ 6,788.79
Delinquent taxes receivable	56,284.66	0.00	64,002.61	0.00
Other receivables	9,794.63	0.00	9,946.51	0.00
Due from other funds	76.00	0.00	76.00	0.00
Prepaid expenses	0.00	0.00	9,022.86	0.00
Capital assets	974,491.03	115,014.17	1,007,203.86	115,014.17
Accumulated depreciation	(510,962.54)	(66,093.50)	(600,144.25)	(62,388.66)
Total Assets	1,768,763.89	62,399.32	1,743,185.57	59,414.30
LIABILITIES:				
Accounts payable	678.20	0.00	9,988.48	0.00
NET ASSETS:				
Investment in capital assets net of related debt	463,528.49	48,920.67	407,059.61	52,625.51
Unrestricted	1,304,557.20	13,478.65	1,326,137.48	6,788.79
Total Net Assets	\$ 1,768,085.69	\$ 62,399.32	\$ 1,733,197.09	\$ 59,414.30

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

STATEMENT OF ACTIVITIES
Years Ended March 31, 2006 and 2005

	Program Revenues			Governmental Activities	
	Expenses	Charges for Services	Operating Grants/Contributions	Net (Expense) Revenue and Changes in Net Assets	Year Ended March 31,
				2006	2004
PRIMARY GOVERNMENT:					
Legislative	\$ 49,904.79	\$ 0.00	\$ 0.00	\$ (49,904.79)	\$ (45,031.45)
General Government	96,201.09	13,762.05	0.00	(82,439.04)	(84,295.69)
Public Safety -					
Police	148,427.95	0.00	6,319.09	(142,108.86)	(150,929.48)
Fire	111,833.66	2,236.97	35,410.04	(74,186.65)	(60,585.23)
Other	6,637.44	0.00	0.00	(6,637.44)	(6,110.62)
Public Services -					
Refuse collection	127,648.99	0.00	3,226.04	(124,422.95)	(122,477.30)
Other	158,976.69	0.00	0.00	(158,976.69)	(67,134.47)
Culture and Recreation -					
Other	11,680.22	0.00	0.00	(11,680.22)	(24,356.43)
Other	31,930.23	0.00	0.00	(31,930.23)	(31,115.32)
Depreciation (Unallocated)	4,979.21	0.00	0.00	(4,979.21)	(6,605.44)
Total Primary Government	\$ 748,220.27	\$ 15,999.02	\$ 44,955.17	(687,266.08)	(598,641.43)
COMPONENT UNITS:					
Millington Township Library	\$ 0.00	\$ 0.00	\$ 0.00	0.00	(470.76)
Arthur Latham Park	22,494.98	0.00	25,480.00	2,985.02	3,889.02
Total Component Units	\$ 22,494.98	\$ 0.00	\$ 25,480.00	2,985.02	3,418.26
GENERAL PURPOSE REVENUES:					
Property taxes -					
General Levy				140,336.08	131,650.16
Special Voted - Fire				77,577.05	72,776.06
Special Voted - Police				175,682.88	165,293.65
Special Assessment - Refuse				133,240.00	131,780.00
State shared revenues				235,262.00	224,311.00
Investment earnings				27,714.66	12,648.22
Other				6,667.84	3,311.55
Total General Purpose Revenues				796,480.51	741,770.64
Change in Net Assets				112,199.45	146,547.47
Equity transfer to Millington - Arbela District Library				(74,325.83)	(63,353.34)
Net Assets - Beginning of Year				1,792,611.39	1,709,417.26
Net Assets - End of Year				\$ 1,830,485.01	1,792,611.39

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GOVERNMENTAL FUNDS BALANCE SHEET
March 31, 2006 and 2005

	<u>GENERAL</u>	<u>FIRE PROTECTION</u>	<u>POLICE</u>
ASSETS:			
Cash in bank	\$ 358,275.96	\$ 156,586.71	\$ 229,442.11
Delinquent taxes receivable	14,857.28	8,203.20	18,424.18
Other receivables	0.00	9,794.63	0.00
Prepaid expenses	0.00	0.00	0.00
Due from other Funds	76.00	0.00	0.00
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>373,209.24</u>	\$ <u>174,584.54</u>	\$ <u>247,866.29</u>
LIABILITIES:			
Accounts payable	\$ 192.06	\$ 236.27	\$ 249.87
Due to Other Funds	0.00	8,494.34	0.00
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	192.06	8,730.61	249.87
FUND EQUITY:			
Reserved	0.00	165,853.93	247,616.42
Unreserved	373,017.18	0.00	0.00
	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	373,017.18	165,853.93	247,616.42
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>373,209.24</u>	\$ <u>174,584.54</u>	\$ <u>247,866.29</u>

The accompanying notes are an integral part of the financial statements.

REFUSE COLLECTION	BUILDING	OTHER NONMAJOR GOVERNMENTAL FUNDS	Total March 31,	
			2006	2005
\$ 155,299.59	\$ 248,364.38	\$ 104,590.01	\$ 1,252,558.76	\$ 1,259,866.77
14,800.00	0.00	0.00	56,284.66	64,002.61
0.00	0.00	0.00	9,794.63	9,946.51
0.00	0.00	0.00	0.00	9,022.86
0.00	0.00	8,494.34	8,570.34	8,570.34
<u>\$ 170,099.59</u>	<u>\$ 248,364.38</u>	<u>\$ 113,084.35</u>	<u>\$ 1,327,208.39</u>	<u>\$ 1,351,409.09</u>
\$ 0.00	\$ 0.00	\$ 0.00	\$ 678.20	\$ 9,988.48
0.00	0.00	0.00	8,494.34	8,494.34
0.00	0.00	0.00	9,172.54	18,482.82
170,099.59	0.00	0.00	583,569.94	652,019.22
0.00	248,364.38	113,084.35	734,465.91	680,907.05
<u>170,099.59</u>	<u>248,364.38</u>	<u>113,084.35</u>	<u>1,318,035.85</u>	<u>1,332,926.27</u>
<u>\$ 170,099.59</u>	<u>\$ 248,364.38</u>	<u>\$ 113,084.35</u>	<u>\$ 1,327,208.39</u>	<u>\$ 1,351,409.09</u>

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

GOVERNMENTAL FUNDS

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS

March 31, 2006

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,318,035.85
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Amounts reported for governmental activities in the statement
of net assets are different because -

Capital assets used in governmental activities are not financial
resources and are not reported in the funds:

Capital assets at cost	1,089,505.20
Accumulated depreciation	<u>(577,056.04)</u>

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$ <u>1,830,485.01</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years ended March 31, 2006 and 2005

	GENERAL	FIRE PROTECTION	POLICE	REFUSE COLLECTION
REVENUES:				
Taxes	\$ 140,336.08	\$ 77,577.05	\$ 175,682.88	\$ 0.00
Special Assessments	0.00	0.00	0.00	133,240.00
Licenses & Permits	0.00	0.00	0.00	0.00
State Grants	235,262.00	0.00	1,155.00	0.00
Contributions from Local Units	0.00	27,772.61	0.00	0.00
Charges for Services	13,762.05	2,236.97	0.00	0.00
Fines and Forfeits	0.00	0.00	0.00	0.00
Interest and Rentals	19,587.76	7,637.43	4,874.09	3,226.04
Other Revenue	6,667.84	0.00	290.00	0.00
Total Revenues	415,615.73	115,224.06	182,001.97	136,466.04
EXPENDITURES:				
Legislative	49,904.79	0.00	0.00	0.00
General Government	118,878.48	0.00	0.00	0.00
Public Safety	6,637.44	84,313.99	143,338.06	0.00
Public Works	158,976.69	0.00	0.00	127,648.99
Cultural and Recreation	10,546.00	0.00	0.00	0.00
Capital Outlay	0.00	137,002.86	9,837.45	0.00
Other	31,930.23	0.00	0.00	0.00
Total Expenditures	376,873.63	221,316.85	153,175.51	127,648.99
EXCESS OF REVENUES OVER EXPENDITURES	38,742.10	(106,092.79)	28,826.46	8,817.05
OTHER FINANCING SOURCES (USES):				
Transfer from other funds	0.00	0.00	0.00	0.00
Transfer to other funds	(60,000.00)	0.00	0.00	0.00
Total Other Financing Sources (Uses)	(60,000.00)	0.00	0.00	0.00
NET CHANGE IN FUND BALANCES	(21,257.90)	(106,092.79)	28,826.46	8,817.05
FUND BALANCE - Beginning of Year	394,275.08	271,946.72	218,789.96	161,282.54
Equity transfer to Millington - Arbela District Library	0.00	0.00	0.00	0.00
FUND BALANCE - End of Year	\$ 373,017.18	\$ 165,853.93	\$ 247,616.42	\$ 170,099.59

The accompanying notes are an integral part of the financial statements.

		OTHER NONMAJOR GOVERNMENTAL FUNDS		Year Ended March 31,	
BUILDING				2006	2005
\$ 0.00	\$ 0.00	\$ 393,596.01	\$ 369,719.87		
0.00	0.00	133,240.00	131,780.00		
0.00	0.00	0.00	316.00		
0.00	0.00	236,417.00	228,081.27		
0.00	18,000.00	45,772.61	64,947.78		
0.00	0.00	15,999.02	18,359.94		
0.00	0.00	0.00	11,786.48		
6,273.65	5,140.84	46,739.81	20,236.75		
0.00	4,192.41	11,150.25	9,159.80		
6,273.65	27,333.25	882,914.70	854,387.89		
0.00	0.00	49,904.79	45,031.45		
0.00	0.00	118,878.48	97,654.82		
0.00	0.00	234,289.49	218,089.01		
0.00	0.00	286,625.68	190,532.90		
0.00	18,790.14	29,336.14	72,869.73		
0.00	0.00	146,840.31	31,966.72		
0.00	0.00	31,930.23	30,884.29		
0.00	18,790.14	897,805.12	687,028.92		
6,273.65	8,543.11	(14,890.42)	167,358.97		
40,000.00	20,000.00	60,000.00	40,000.00		
0.00	0.00	(60,000.00)	(40,000.00)		
40,000.00	20,000.00	0.00	0.00		
46,273.65	28,543.11	(14,890.42)	167,358.97		
202,090.73	84,541.24	1,332,926.27	1,214,111.66		
0.00	0.00	0.00	(52,594.36)		
\$ 248,364.38	\$ 113,084.35	\$ 1,318,035.85	\$ 1,328,876.27		

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended March 31, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (14,890.42)
Amounts reported for governmental activities in the statement of activities are different because -	
Governmental funds report capital outlays as expenditures in the statement of activities, these costs are allocated over their estimated lives as depreciation:	
Depreciation expense	(46,709.44)
Capital outlay	173,799.31
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>112,199.45</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
March 31, 2006 and 2005

	Fire Damaged Structure	Current Tax Collections
ASSETS:		
Cash in bank	\$ <u>76.00</u>	\$ <u>0.00</u>
LIABILITIES:		
Due to other funds	\$ <u>76.00</u>	\$ <u>0.00</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF NET ASSETS - COMPONENT UNITS
March 31, 2006 and 2005

	Millington Township Library	Arthur Latham Park	TOTAL COMPONENT UNITS March 31,	
			2006	2005
ASSETS:				
Cash	\$ 0.00	\$ 13,478.65	\$ 13,478.65	\$ 6,788.79
Delinquent taxes receivable	0.00	0.00	0.00	0.00
Other receivables	0.00	0.00	0.00	0.00
Due from County	0.00	0.00	0.00	0.00
Due from State	0.00	0.00	0.00	0.00
Due from other funds	0.00	0.00	0.00	0.00
Prepaid expenses	0.00	0.00	0.00	0.00
Capital assets	0.00	115,014.17	115,014.17	115,014.17
Accumulated depreciation	0.00	(66,093.50)	(66,093.50)	(62,388.66)
Total Assets	0.00	62,399.32	62,399.32	59,414.30
LIABILITIES:				
Accounts payable	0.00	0.00	0.00	0.00
NET ASSETS:				
Investment in capital assets net of related debt	0.00	48,920.67	48,920.67	52,625.51
Unrestricted	0.00	13,478.65	13,478.65	6,788.79
Total Net Assets	\$ 0.00	\$ 62,399.32	\$ 62,399.32	\$ 59,414.30

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

STATEMENT OF ACTIVITIES - COMPONENT UNITS
Year Ended March 31, 2006 and 2005

	Program Revenues			Governmental Activities	
	Expenses	Charges for Services	Operating Grants/ Contributions	Net (Expense) Revenue and Changes in Net Assets	
				Year Ended March 31	
				2006	2005
COMPONENT UNITS:					
Millington Township Library	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (470.76)
Arthur Latham Park	22,494.98	0.00	25,480.00	2,985.02	3,889.02
Total Component Units	\$ 22,494.98	\$ 0.00	\$ 25,480.00	2,985.02	3,418.26
GENERAL PURPOSE REVENUES:					
None				0.00	0.00
Change in Net Assets				2,985.02	3,418.26
Net Assets - Beginning of Year				59,414.30	199,346.32
Equity transfer of net assets of the Millington Township Library to the Millington - Arbelia District Library and the General Fund				0.00	(63,353.34)
				0.00	(79,996.94)
Net Assets - End of Year				\$ 62,399.32	\$ 59,414.30

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Township of Millington is located in Tuscola County and operated under an elected Board of Trustees (5 members) and provides services to its residents in many areas. The financial statements of the Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY:

In evaluating how to define the Township for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB No. 14. The basic - but not the only - criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of the ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Township is able to exercise oversight responsibilities. Arthur Lathum Park is included within the reporting entity. Also as detailed in Note 7, the Township participates jointly in the operation of its Fire Department.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the Township's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the entity-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Entity-wide Statements - The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a general rule, the effect of interfund activity has been eliminated from the entity-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes taxes and unrestricted State aid.

Fund-based Statements - Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within approximately 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fiduciary Fund statements are also reported using the economic resources measurement focus and the modified accrual basis of accounting.

The Township reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire Protection Fund - Established by the Township to account for proceeds of a voted millage to provide fire protection.

Police Fund - Established by the Township to account for a voted millage to provide police protection.

Refuse Collection Fund - Established by the Township to account for proceeds of a voted special assessment to provide refuse collection service.

Building Fund - Established by the Township to accumulate funds for building acquisition and renovation.

Assets, Liabilities, and Net Assets or Equity

Deposits - Cash and cash equivalents include cash on hand and demand deposits.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds". Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds".

Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1, of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the County tax rolls.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both entity-wide and fund financial statements.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the entity-wide financial statements. Capital assets are defined by the Township as assets with an individual cost of more than \$1,000 and any assets susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized.

Buildings, equipment, land improvements and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-40 years
Land improvements	15-20 years
Vehicles	5-10 years
Furniture and other equipment	3-10 years

Compensated Absences - Employees are not allowed to accumulate vacation and sick pay and therefore, no amount as for March 31, 2006 has been recorded.

Long term Obligations - The Township has no long-term obligations at March 31, 2006.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Township to have its budget in place by April 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits entities to amend their budgets during the year. There were no significant amendments during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds - The Township did not have significant expenditure budget variances.

Fund Deficits - The Township had no accumulated fund balance deficits.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS :

Deposits of the Township are carried at cost and maintained at National City Bank of Michigan/Illinois and Mayville State Bank, federally insured banks.

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the Township is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The Township's deposits are in accordance with statutory authority.

At year end, the Township's deposits were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Cash	<u>\$ 1,239,004.11</u>	<u>\$ 76.00</u>	<u>\$ 1,239,080.11</u>	<u>\$ 13,478.65</u>

The Government Accounting Standards Board Statement No. 3 requires the amount of total bank balances to be classified in one of three categories of credit risk. These categories are:

- (1) Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name.
- (3) Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent by not in the entity's name). Bank deposits including certificates of deposit:

	<u>Primary Government</u>	<u>Component Units</u>
Category 1.	\$ 137,512.55	\$ 13,478.65
Category 2.	-	-
Category 3.	1,101,567.56	-
Total Bank Balances	<u>\$ 1,239,080.11</u>	<u>\$ 13,478.65</u>
Carrying Amount	<u>\$ 1,239,080.11</u>	<u>\$ 13,478.65</u>

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 4 CAPITAL ASSETS:

Capital asset activity of the School District's governmental activities was as follows:

	Balance <u>April 1, 2005</u>	Additions	Disposals	Balance <u>March 31, 2006</u>
Land and improvements	\$ 54,905.63	\$ 94,866.63	\$ -	\$ 149,772.26
Buildings and improvements	492,363.88	125,000.00	285,890.77	331,473.11
Vehicles	367,270.91	-	-	367,270.91
Equipment	<u>207,677.61</u>	<u>33,311.31</u>	<u>-</u>	<u>240,988.92</u>
Total Capital Assets	1,122,218.03	253,177.94	285,890.77	1,089,505.20
Accumulated Depreciation				
Land and improvements	8,031.81	643.33	-	8,675.14
Buildings and improvements	265,965.05	10,333.83	132,186.31	144,112.57
Vehicles	236,204.27	24,114.69	-	260,318.96
Equipment	<u>152,331.78</u>	<u>11,617.59</u>	<u>-</u>	<u>163,949.37</u>
Total Accumulated Depreciation	<u>662,532.91</u>	<u>46,709.44</u>	<u>132,186.31</u>	<u>577,056.04</u>
Net Capital Assets	<u>\$ 459,685.12</u>	<u>\$ 206,468.50</u>	<u>\$ 153,704.46</u>	<u>\$ 512,449.16</u>

Depreciation expense was charged to activities of the Township as follows:

Governmental activities: \$ 41,730.23

NOTE 5. RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, errors, omissions, employee injuries, medical and workman's compensation benefits.

The Township has purchased commercial insurance for medical benefit claims, general liability, errors and omissions, physical damage for equipment, buildings and contents and workers compensation. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 years. There was no reduction in coverage obtained through commercial insurance during the past year.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$ 76.00	Fire-Damaged Structure Fund	\$ 76.00
Machinery & Equipment Fund	<u>8,494.34</u>	Fire Protection Fund	<u>8,494.34</u>
	<u>\$ 8,570.34</u>		<u>\$ 8,570.34</u>

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued):

Operating transfers during the year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 60,000.00
Machinery & Equipment Fund	20,000.00	-
Building Fund	<u>40,000.00</u>	<u>-</u>
	<u>\$ 60,000.00</u>	<u>\$ 60,000.00</u>

Transfers are used to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7. EXPENSE SHARING AGREEMENT:

The Township has an agreement with the Township of Arbela to share the cost of operating the fire department on a 60/40 basis. Millington Township's portion is 60% with Arbela Township assuming the balance.

NOTE 8. PENSION PLAN:

The Township has in effect a contributory annuity pension plan covering substantially all Township employees. Under the plan, the Township contributes amounts based on the employees' annual earnings for the purchase of annuities. Employees may contribute additional amounts of their compensation on a voluntary basis. The Township's retirement contributions amounted to \$6,184.86 and \$5,589.60 for the years ended March 31, 2006 and 2005 respectively.

NOTE 9. MILLINGTON TOWNSHIP LIBRARY:

Effective August 1, 2004, all assets and liabilities of the Millington Township Library were transferred to the Millington-Arbela District Library.

In November, 2005, the Township transferred ownership of the Library building and site to the Millington-Arbela District Library for the sum of \$1.00.

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

BUDGET COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2006

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Taxes	\$ 135,000.00	\$ 135,000.00	\$ 140,336.08
Licenses & Permits	150.00	150.00	0.00
State Grants	232,000.00	232,000.00	235,262.00
Charges for Services	15,125.00	15,125.00	13,762.05
Interest and Rentals	11,000.00	11,000.00	19,587.76
Other Revenue	<u>0.00</u>	<u>0.00</u>	<u>6,667.84</u>
Total Revenues	393,275.00	393,275.00	415,615.73
EXPENDITURES:			
Legislative	62,300.00	68,700.00	49,904.79
General Government	144,800.00	144,700.00	118,878.48
Public Safety	11,200.00	11,200.00	6,637.44
Public Works	203,000.00	203,000.00	158,976.69
Cultural and Recreation	10,800.00	10,800.00	10,546.00
Other	<u>38,600.00</u>	<u>38,600.00</u>	<u>31,930.23</u>
Total Expenditures	470,700.00	477,000.00	376,873.63
OTHER FINANCING SOURCES (USES):			
Transfer to other funds	(60,000.00)	(60,000.00)	(60,000.00)
Contingencies	<u>30,000.00</u>	<u>23,600.00</u>	<u>0.00</u>
NET CHANGE IN FUND BALANCE	(167,425.00)	(167,325.00)	(21,257.90)
FUND BALANCE - BEGINNING OF YEAR	<u>331,806.19</u>	<u>331,806.19</u>	<u>394,275.08</u>
FUND BALANCE - END OF YEAR	\$ <u><u>164,381.19</u></u>	\$ <u><u>164,481.19</u></u>	\$ <u><u>373,017.18</u></u>

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

BUDGET COMPARISON SCHEDULE - FIRE PROTECTION FUND
Year Ended March 31, 2006

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Taxes	\$ 74,550.00	\$ 74,550.00	\$ 77,577.05
Contributions from Local Units	41,500.00	41,500.00	27,772.61
Charges for Services	200.00	200.00	2,236.97
Interest and Rentals	900.00	900.00	7,637.43
Total Revenues	117,150.00	117,150.00	115,224.06
EXPENDITURES:			
Public Safety	109,550.00	110,600.00	84,313.99
Capital Outlay	133,000.00	146,950.00	137,002.86
Total Expenditures	242,550.00	257,550.00	221,316.85
NET CHANGE IN FUND BALANCE	(125,400.00)	(140,400.00)	(106,092.79)
FUND BALANCE - BEGINNING OF YEAR	265,735.74	265,735.74	271,946.72
FUND BALANCE - END OF YEAR	\$ 140,335.74	\$ 125,335.74	\$ 165,853.93

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

BUDGET COMPARISON SCHEDULE - POLICE FUND

Year Ended March 31, 2006

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Taxes	\$ 165,600.00	\$ 165,600.00	\$ 175,682.88
State Grants	550.00	550.00	1,155.00
Interest and Rentals	1,000.00	1,000.00	4,874.09
Other	0.00	0.00	290.00
Total Revenues	167,150.00	167,150.00	182,001.97
EXPENDITURES:			
Public Safety	163,700.00	164,900.00	143,338.06
Capital Outlay	5,000.00	10,800.00	9,837.45
Total Expenditures	168,700.00	175,700.00	153,175.51
NET CHANGE IN FUND BALANCE	(1,550.00)	(8,550.00)	28,826.46
FUND BALANCE - BEGINNING OF YEAR	212,622.59	212,622.59	218,789.96
FUND BALANCE - END OF YEAR	\$ <u>211,072.59</u>	\$ <u>204,072.59</u>	\$ <u>247,616.42</u>

TOWNSHIP OF MILLINGTON

Tuscola County, MichiganBUDGET COMPARISON SCHEDULE - REFUSE COLLECTION FUND
Year Ended March 31, 2006

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Special Assessments	\$ 132,400.00	\$ 132,400.00	\$ 133,240.00
Interest and Rentals	<u>1,000.00</u>	<u>1,000.00</u>	<u>3,226.04</u>
Total Revenues	133,400.00	133,400.00	136,466.04
EXPENDITURES:			
Public Works	<u>128,200.00</u>	<u>128,200.00</u>	<u>127,648.99</u>
NET CHANGE IN FUND BALANCE	5,200.00	5,200.00	8,817.05
FUND BALANCE - BEGINNING OF YEAR	<u>160,839.84</u>	<u>160,839.84</u>	<u>161,282.54</u>
FUND BALANCE - END OF YEAR	\$ <u><u>166,039.84</u></u>	\$ <u><u>166,039.84</u></u>	\$ <u><u>170,099.59</u></u>

OTHER SUPPLEMENTAL INFORMATION

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
March 31, 2006 and 2005

	SPECIAL REVENUE FUND <u>Arthur Latham Park</u>	CAPITAL PROJECTS FUND <u>Machinery & Equipment</u>	<u>TOTAL MARCH 31,</u>	
			<u>2006</u>	<u>2005</u>
<u>ASSETS</u>				
Cash in bank	\$ 13,478.65	\$ 91,111.36	\$ 104,590.01	\$ 76,046.90
Due from Other Funds	<u>0.00</u>	<u>8,494.34</u>	<u>8,494.34</u>	<u>8,494.34</u>
	<u>\$ 13,478.65</u>	<u>\$ 99,605.70</u>	<u>\$ 113,084.35</u>	<u>\$ 84,541.24</u>
 <u>FUND BALANCE</u>				
Fund balance	<u>\$ 13,478.65</u>	<u>\$ 99,605.70</u>	<u>\$ 113,084.35</u>	<u>\$ 84,541.24</u>

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Years ended March 31, 2005 and 2004

	SPECIAL REVENUE FUND Arthur Latham Park	CAPITAL PROJECTS FUND Machinery & Equipment	Year Ended March 31,	
			2006	2005
REVENUES:				
State Grants	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,344.02
Contributions from Local Units	18,000.00	0.00	18,000.00	37,259.98
Charges for Services	0.00	0.00	0.00	927.94
Fines and Forfeits	0.00	0.00	0.00	11,786.48
Interest and Rentals	3,287.59	1,853.25	5,140.84	3,785.51
Other Revenues	4,192.41	0.00	4,192.41	5,379.21
Total Revenues	25,480.00	1,853.25	27,333.25	62,483.14
EXPENDITURES:				
Cultural and Recreation	18,790.14	0.00	18,790.14	53,050.19
Capital Outlay	0.00	0.00	0.00	22,391.50
Total Expenditures	18,790.14	0.00	18,790.14	75,441.69
EXCESS OF REVENUES OVER EXPENDITURES	6,689.86	1,853.25	8,543.11	(12,958.55)
OTHER FINANCING SOURCES:				
Transfer from other funds	0.00	20,000.00	20,000.00	10,000.00
NET CHANGE IN FUND BALANCE	6,689.86	21,853.25	28,543.11	(2,958.55)
FUND BALANCE - Beginning of Year	6,788.79	77,752.45	84,541.24	140,094.15
Equity transfer to Millington - Arbelá District Library	0.00	0.00	0.00	(52,594.36)
FUND BALANCE - End of Year	\$ 13,478.65	\$ 99,605.70	\$ 113,084.35	\$ 84,541.24

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years ended March 31, 2006 and 2005

	Year Ended March 31,	
	2006	2005
REVENUES:		
Taxes -		
Current tax levy	\$ 140,336.08	\$ 131,650.16
Licenses & Permits -		
Dog license fees	0.00	316.00
State Grants -		
Sales tax	225,662.00	224,311.00
Election equipment	9,600.00	0.00
Total State Grants	235,262.00	224,311.00
Charges for Services -		
Cemetery lot use	8,700.00	7,350.00
Cemetery lot sales	3,125.00	8,340.00
Other	377.05	217.70
Board of Appeals/ Planning Comm. fees	1,560.00	1,125.00
Total Charges for Services	13,762.05	17,032.70
Interest and Rentals -		
Interest earned	17,087.76	5,373.40
Rents	2,500.00	4,901.00
Total Interest and Rentals	19,587.76	10,274.40
Other Revenue - Miscellaneous	6,667.84	2,945.54
Total Revenues	415,615.73	386,529.80
EXPENDITURES	376,873.63	271,357.01
EXCESS OF REVENUES OVER EXPENDITURES	38,742.10	115,172.79
OTHER FINANCING SOURCES (USES):		
Sale of fixed assets	0.00	4,050.00
Transfer to Capital Projects Building Fund	(40,000.00)	(30,000.00)
Transfer to Capital Projects Equipment Fund	(20,000.00)	(10,000.00)
Net Other Financing (Uses)	(60,000.00)	(35,950.00)
NET CHANGE IN FUND BALANCE	(21,257.90)	79,222.79
FUND BALANCE - Beginning of Year	389,553.26	310,330.47
FUND BALANCE - End of Year	\$ 368,295.36	\$ 389,553.26

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
 DETAIL OF EXPENDITURES
Years ended March 31, 2006 and 2005

	Year Ended March 31,	
	2006	2005
EXPENDITURES:		
LEGISLATIVE:		
Township Board -		
Trustees' salaries	\$ 5,020.08	\$ 4,872.00
Office assistant	33,408.00	29,232.00
Part - Time Salaries	2,107.99	2,168.00
Legal	(666.00)	1,214.00
Membership dues	1,823.51	2,239.41
Printing and publishing	758.91	1,002.25
Retirement administration fees	868.00	1,051.02
Seminars and conventions	1,110.39	1,687.32
Supplies and other costs	1,445.20	855.13
Miscellaneous	4,028.71	710.32
Total Legislative	49,904.79	45,031.45
GENERAL GOVERNMENT:		
Supervisor -		
Salary	7,725.00	7,500.00
Supplies and other costs	76.68	141.94
Total Supervisor	7,801.68	7,911.94
Elections -		
Wages	0.00	3,467.61
Supplies and other costs	0.00	4,721.82
Capital outlay	9,600.00	4,721.82
Total Elections	9,600.00	12,911.25
Assessor -		
Contracted services	17,346.00	17,241.00
Supplies and other costs	2,543.09	2,337.41
Total Assessor	19,889.09	19,578.41
Clerk -		
Salary	8,000.04	6,816.00
Deputy Clerk	875.00	850.00
Supplies and other costs	619.34	624.90
Total Clerk	9,494.38	8,290.90
Board of Review -		
Salaries	845.13	841.36
Supplies and other costs	21.82	15.91
Total Board of Review	866.95	857.27

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
 DETAIL OF EXPENDITURES (Continued)
Years ended March 31, 2006 and 2005

	Year Ended March 31,	
	2006	2005
EXPENDITURES (CONT.):		
GENERAL GOVERNMENT (CONT.):		
Treasurer -		
Salary	\$ 6,725.04	\$ 6,528.00
Deputy Treasurer	875.00	850.00
Supplies and other costs	4,760.08	3,844.52
Total Treasurer	12,360.12	11,222.52
Cemetery -		
Wages	24,275.46	20,251.00
Utilities	519.42	467.10
Repairs and maintenance	2,532.86	1,211.48
Supplies and other costs	1,849.60	1,541.74
Capital outlay	10,410.00	0.00
Total Cemetery	39,587.34	23,471.32
Buildings & Grounds -		
Salaries	415.76	837.00
Utilities	5,077.72	4,373.65
Telephone	1,604.94	1,494.24
Repairs and maintenance	629.71	5,913.99
Minor equipment	0.00	95.00
Rental house	1,950.13	3,047.82
Supplies and other costs	2,651.66	2,371.33
Capital Outlay	6,949.00	0.00
Total Township Hall	19,278.92	18,133.03
Total General Government	118,878.48	102,376.64
PUBLIC SAFETY:		
Planning Commission -		
Salaries	2,394.00	2,104.76
Supplies and other costs	267.00	75.00
Total Planning Commission	2,661.00	2,179.76
Zoning Board of Appeals -		
Salaries	294.00	380.00
Supplies and other costs	0.00	0.00
Total Zoning Board of Appeals	294.00	380.00

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
DETAIL OF EXPENDITURES (Continued)
Years ended March 31, 2006 and 2005

	Year Ended March 31,	
	2006	2005
EXPENDITURES (CONT.):		
Zoning Administration -		
Salaries	\$ 3,480.00	\$ 3,522.00
Supplies and other costs	202.44	28.86
Total Zoning Administrator	3,682.44	3,550.86
Total Public Safety	6,637.44	6,110.62
PUBLIC WORKS:		
Highway, Streets and Bridges -		
Routine maintenance	156,278.89	65,745.33
Drain-at-large	2,697.80	1,389.14
Total Public Works	158,976.69	67,134.47
CULTURAL AND RECREATIONAL:		
Library - Repairs		
Repairs	0.00	469.54
Operating allocation	0.00	12,000.00
Total Library	0.00	12,469.54
Park -		
Trustee's salaries	546.00	350.00
Operating allocation	10,000.00	7,000.00
Total Park	10,546.00	7,350.00
Total Cultural and Recreational	10,546.00	19,819.54
OTHER:		
Insurance and bonds	13,491.36	12,764.65
Audit	2,500.00	3,700.00
Asset charges	2,242.73	2,097.05
Payroll taxes	7,511.28	6,698.01
Unemployment	0.00	34.98
Retirement	6,184.86	5,589.60
Total Other	31,930.23	30,884.29
TOTAL EXPENDITURES	\$ 376,873.63	\$ 271,357.01